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SENATE BILL 6858

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State of Washington                      59th Legislature                      2006 Regular Session

By Senators Prentice and Kohl-Welles

Read first time 01/27/2006. Referred to Committee on Ways & Means.

1            AN ACT Relating to fund balance transfer for the state convention  
2 and trade center; amending RCW 67.40.040; adding a new section to  
3 chapter 67.40 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 67.40 RCW  
6 to read as follows:

7            During the 2003-2005 and 2005-2007 biennia, the legislature  
8 transferred funds from the fund established under RCW 67.40.040 to the  
9 general fund--state. It is the intent of this act to provide  
10 predictable and stable funding for the operation and maintenance of the  
11 state convention and trade center by establishing funding levels in  
12 future biennia based on proven performance and return on state funds  
13 invested in the convention and trade center.

14            **Sec. 2.** RCW 67.40.040 and 2005 c 518 s 936 are each amended to  
15 read as follows:

16            (1) The proceeds from the sale of the bonds authorized in RCW  
17 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and  
18 67.40.130, and all other moneys received by the state convention and

1 trade center from any public or private source which are intended to  
2 fund the acquisition, design, construction, expansion, exterior cleanup  
3 and repair of the Eagles building, conversion of various retail and  
4 other space to meeting rooms, purchase of the land and building known  
5 as the McKay Parcel, development of low-income housing, or renovation  
6 of the center, and those expenditures authorized under RCW 67.40.170  
7 shall be deposited in the state convention and trade center account  
8 hereby created in the state treasury and in such subaccounts as are  
9 deemed appropriate by the directors of the corporation.

10 (2) Moneys in the account, including unanticipated revenues under  
11 RCW 43.79.270, shall be used exclusively for the following purposes in  
12 the following priority:

13 (a) For reimbursement of the state general fund under RCW  
14 67.40.060;

15 (b) After appropriation by statute:

16 (i) For payment of expenses incurred in the issuance and sale of  
17 the bonds issued under RCW 67.40.030;

18 (ii) For expenditures authorized in RCW 67.40.170;

19 (iii) For acquisition, design, and construction of the state  
20 convention and trade center; and

21 (iv) For reimbursement of any expenditures from the state general  
22 fund in support of the state convention and trade center; (~~and~~)

23 (c) For transfer to the state convention and trade center  
24 operations account; and

25 (d) For transfer to the state general fund, but only if sufficient  
26 funds will remain in the account to meet the following amounts and  
27 purposes:

28 (i) Actual capital debt service through the next biennium; and

29 (ii) An amount equal to fifteen and one-half percent of actual  
30 capital debt service through the next biennium, which is intended to  
31 provide funds for a debt service reserve, capital maintenance of the  
32 convention and trade center, a reserve for catastrophic unanticipated  
33 repairs and replacement, and for a contingency in the event of  
34 unanticipated loss of operating income. The percentage of funds  
35 identified for debt service reserve, capital maintenance of the  
36 convention and trade center, a reserve for catastrophic unanticipated  
37 repairs and replacement, and for a contingency in the event of  
38 unanticipated loss of operating income under this subsection shall be

1 adjusted biennially for inflation by multiplying the current Seattle  
2 area consumer price index established by the federal bureau of labor  
3 statistics by fifteen and one-half percent.

4 (3) The corporation shall identify with specificity those  
5 facilities of the state convention and trade center that are to be  
6 financed with proceeds of general obligation bonds, the interest on  
7 which is intended to be excluded from gross income for federal income  
8 tax purposes. The corporation shall not permit the extent or manner of  
9 private business use of those bond-financed facilities to be  
10 inconsistent with treatment of such bonds as governmental bonds under  
11 applicable provisions of the Internal Revenue Code of 1986, as amended.

12 (4) In order to ensure consistent treatment of bonds authorized  
13 under RCW 67.40.030 with applicable provisions of the Internal Revenue  
14 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment  
15 earnings on bond proceeds deposited in the state convention and trade  
16 center account in the state treasury shall be retained in the account,  
17 and shall be expended by the corporation for the purposes authorized  
18 under chapter 386, Laws of 1995 and in a manner consistent with  
19 applicable provisions of the Internal Revenue Code of 1986, as amended.

20 (5) During the 2005-2007 fiscal biennium, the legislature may  
21 transfer from the state convention and trade center account to the  
22 state general fund such amounts as reflect the excess fund balance of  
23 the account.

24 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2007.

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